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**INFORMATION REPORT**

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SUPPLEMENT TO 25X1X  
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1. A successor to the late Dr. Wilhelm Külz as Chairman of the LDP in the Russian Zone will be selected at a party convention in Leipzig early in August. It is understood that the SMA would be pleased if Prof. Hermann Kastner, former Chairman in Saxony, should be elected; however, he meets with little favor within the party, where he is regarded as too easy-going. His defeat for re-election as state chairman last October, in spite of considerable pressure, is also remembered. Dr. Alfons Gärtnner, President of the Thuringian State Bank, is considered to be the only person who would be acceptable to all ranks of the party. He will therefore probably be chosen, although it is not certain that he will accept, in view of his ill health.

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[REDACTED] that the LDP will in the future follow a more independent policy than it did under the leadership of Külz. He says that Külz himself had been greatly depressed during the last weeks because his habitual pliancy and submissiveness had led to nothing. (As an example: Marshal Sokolovski's promise to Külz and Arthur Lieutenant that there would be no more sequestrations of industry was followed after only a month or so by a resumption of the sequestration policy, to the great indignation of the LDP.) It is predicted by source that Gärtnner and Lieutenant will assume a more critical attitude toward Soviet policies.

3. Both the LDP and the CDU are upset over the discovery that the sequestration of plants can be prevented if the proprietor is a member of the SED. They fear that many members of the bourgeois parties will resign in the hope of saving their businesses.
4. Külz and Lieutenant were considerably irritated when Neues Deutschland reported on 8 April that Marshal Sokolovski would make new regulations for the handling of Germans arrested by the SMA, and that this was a concession granted at the repeated urging of Fleck and Grotewohl, the SED leaders. This action had been requested again and again by Külz and Lieutenant, and Sokolovski had promised them that he would put the whole subject on a consistent legal basis. Much dissatisfaction was felt when the SED once again was able to claim the credit for

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SMA favors, and Der Morren had to content itself with the remark that the concession had been won by the joint efforts of the parties.

5. In Thuringia, all LDP gatherings have recently been prohibited except in cases where a special Russian control officer is available to supervise the meeting. Dr. Gärtnér is required to submit all his public statements and articles to the SMA for prior approval.
6. The post of Finance Minister of Brandenburg, left vacant when Dr. Walter Kanze fled to the West, has not yet been filled. The Russians have been trying for weeks to persuade Arthur Lieutenant to take the position. He is most unwilling to do so, pleading the press of party business; the SMA is said to have urged that a competent "Ministerialdirektor" could attend to the work of the Finance Minister and leave Lieutenant free to continue his party work. However, Lieutenant is believed to be displeased by the recent dismissal by the SMA of some thirteen LDP officials of the state government in Brandenburg, and he is still resisting the Russian pressure.
7. Lieutenant stated on 12 April that he had been informed by Col. S. I. Tulpanov that the main outlines of the "Soviet Eastern State of Germany" are completely prepared, and that it will definitely be set up without reference to whether the western Allies remain in Berlin or not.

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